

## 2005-2006 PERFORMANCE PLAN – CHIEF INVESTMENT OFFICER

### Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	2 <sup>nd</sup> Quarter Update
20%	Total Fund	Excess return in basis points relative to total fund performance benchmark. (SJ1C – CPERSTOT)	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5	
10%	Global Equity	Total Public Equity excluding AIM compared to CalPERS Policy Total Equity Index Return. (GLOBLIC - CPERSGE)	-50 basis points = 0 -10 basis points = 1.0 +15 basis points = 1.5	+13 bps [9.92 – 9.79]
10%	AIM	AIM Program Performance vs. Venture Economics Young Fund Median Return.	Median = 0 Median + 150 = 1 Median + 250 = 1.5	Above target. Aggregate Excess Returns: +1240 basis points
10%	Global Fixed Income	Total Global Fixed Income vs. 88% Lehman Domestic Index/12% WGBI ex US. (SJKE – CPERGFI)	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5	+95 bps
10%	Real Estate	Total Real Estate vs. NCREIF Property First Quarter Lag Index.	0 basis points = 0 +50 basis points = 1.0 +75 basis points = 1.5	Total Real Estate Number (before fees) 48.9% vs NCREIF benchmark was 19.2%
60%	Subtotal	Quantitative Measures		

### Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	2 <sup>nd</sup> Quarter Update
10%	Strategic Plan	Present a report to the Board at the July offsite on the strategic issues facing the investment portfolio.	From Schedule	On schedule
10%	Environmental Investments	Issue an RFP for Project Greenwave for Global Equity by December 31, 2005.	From Schedule	Completed
10%	Annual Plan	Integrate the Strategic Plan of the Board into the Investment Office Annual Plan and present to the Investment Committee by October 30, 2005.	From Schedule	Completed

## 2005-2006 PERFORMANCE PLAN – CHIEF INVESTMENT OFFICER - Continued

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### *Qualitative Performance Measures (continued)*

Weight	Factor	Performance Measure	Incentive Schedule	2 <sup>nd</sup> Quarter Update
10%	Diversity Plan	Implement all elements of the enterprise wide diversity plan that relate to the responsibilities of the Investment Office by June 30, 2006.	From Schedule	On schedule
40%	<b>Subtotal</b>	<b>Qualitative Measures</b>		
100%	<b>Total</b>	<b>Quantitative and Qualitative Measures</b>		

Supervisor's Approval: Original signed by Fred Buenrostro

Date: January 25, 2006